

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
ASHEVILLE DIVISION

In re:)	
)	Chapter 11
SEVEN FALLS, LLC)	Case No. 09-11182
)	
Debtor.)	
)	
ZEUS INVESTMENTS, LLC)	Chapter 11
)	Case No. 09-11183
)	
Debtor.)	
)	

MOTION FOR ORDER AUTHORIZING JOINT ADMINISTRATION

NOW COMES Seven Falls, LLC (“Seven Falls”) and Zeus Investment, LLC (“Zeus”), Debtors and Debtors-in-Possession (collectively the “Debtors”) in the above-captioned bankruptcy cases (collectively the “Cases”), pursuant to Rule 1015(b)(4) of the Federal Rules of Bankruptcy Procedure, and move the Court for an Order Authorizing Joint Administration of the Cases and in support of the Motion, respectfully show unto the Court as follows:

1. On October 26, 2009 (the “Petition Date”), each Debtor filed a voluntary petition under the provisions of Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Western District of North Carolina.
2. This Court has jurisdiction over this case pursuant to 28 U.S.C. §§ 157 and 1334(b). Venue is proper in this district pursuant to 28 U.S.C. § 1409(a).
3. No official creditors’ committee has been appointed in this case pursuant to 11 U.S.C. § 1102.

4. Seven Falls is a limited liability company organized and existing under the laws of North Carolina with a principal place of business in Henderson County, North Carolina. Its assets consists primarily of 800 acres of developed and undeveloped real estate lots and a partially completed golf course located in Hendersonville, North Carolina.

5. Zeus is a limited liability company organized and existing under the laws of North Carolina with a principal place of business in Henderson County, North Carolina. Its assets consists primarily of a golf academy and 9-hole practice facility located adjacent to the property owned by Seven Falls in Hendersonville, North Carolina.

6. Since the Petition Date, each Debtor has managed its affairs and continued in the possession of its assets pursuant to 11 U.S.C. §§ 1107 and 1108.

7. National Bank of South Carolina (“NBSC”) is the primary secured creditor of Seven Falls and Zeus. NBSC is owed approximately \$18 million by Seven Falls and \$4 million by Zeus. NBSC has a lien on certain real property owned by Seven Falls and all of the property owned by Zeus.

8. NBSC has commenced foreclosure actions causing Seven Falls and Zeus to seek protection in this Court.

9. At its inception, the property owned by Zeus was intended to be owned by Seven Falls. However, at the insistence of NBSC, the entities and their respective properties were separated for loan purposes. It is anticipated that these entities will be substantively consolidated pursuant to either further Court order or a plan in the respective cases.

10. Pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure, if two or more bankruptcy cases are pending in the same court by a debtor and its affiliate or affiliates, the Bankruptcy Court may order a joint administration of the estates. Fed. R. Bankr. p. 1015(b)(4).

Ninety-eight percent (98%) of Seven Falls is owned by The Keith Vinson Living Trust and Zeus is wholly-owned by Keith Vinson, the Trustee of The Keith Vinson Living Trust, and therefore the debtors are “affiliates,” as such term is defined in 11 U.S.C. § 101(2). Further the operation and business of Seven Falls and Zeus are completely intertwined and dependent upon each other.

11. Each of the Debtors has applied to employ the law firm of Nexsen Pruet, PLLC to represent them in their respective Chapter 11 cases, and the Debtors anticipate that administrative matters in common among their respective cases will predominate over those administrative matters, if any, concerning only one of the Debtors.

12. There are numerous factors which indicate that it is in the best interest of creditors of each estate and all other interested parties for the Court to entertain an order authorizing joint administration of these Debtors. These factors include, but are not limited to, the following:

- (a) The primary secured creditor in both the Seven Falls and Zeus bankruptcy cases is NBSC. Presumably, NBSC will take similar positions in both the Seven Falls and Zeus bankruptcy cases as to the collateral securing the respective debts owed by each Debtor.
- (b) Seven Falls and the Zeus golf and development operations are integrally related and are dependent upon the success of each other.
- (c) Keith Vinson has acted as the manager of each of the debtor entities and has carried out his duties from a single office. As a result of the manager holding this position, there is necessarily an overlapping of administrative functions of each debtor.
- (d) All internal accounting functions for the two entities are performed out of a single accounting department.

(e) Upon information and belief, there may be overlapping lien claims of contractors against Seven Falls and Zeus.

13. As a result of the above-referenced internal connections between and among the Debtors, to require each case to be separately administered will result in operational inefficiencies and therefore increased administration expenses.

14. The joint administration of the two Chapter 11 estates will not prevent, where necessary, independent accounting to properly identify individual receipts and disbursement for the two estates.

15. Joint administration of the Debtors' bankruptcy cases will reduce the cost of each individual estate, will expedite the handling of administrative matters, and will more efficiently utilize judicial resources of the Court. It is appropriate and necessary to treat the Debtors' cases as a single case for administrative purposes to avoid duplicative proceedings and to save attorney time, court time, and the cost relating to duplicative matters in each case.

16. The Debtors request that their bankruptcy cases be jointly administered by the Court such that a single docket and a single pleadings file under the name of "Seven Falls, LLC" is utilized for matters related to the administration of their respective bankruptcy estates. The Debtors further requests that the Court prevent all pleadings, notices, orders, and other papers for any of the Debtors to be filed under the Seven Falls, LLC case number and that such filed documents be entered on a single docket; provided that the Court direct that a separate claims register for each case be maintained and that creditors be instructed to file a Proof of Claim, if required, only in the case or cases in which such creditors have claims.

17. Joint administration of the Debtors' estates shall include:

(a) the combining of notices to creditors and parties of interest;

- (b) the scheduling of hearings;
- (c) financial reporting by the Debtor;
- (d) the preparing by professionals of combined fee application for the Debtors;
- (e) permitting the Debtors to operate out of a consolidated debtor-in-possession account; and
- (f) the joint handling of other administrative matters.

18. Because the substantive rights of creditors and other parties in interest will not be affected by the joint administration of the Debtors' cases, the Debtors believe that prior notice to all creditors of this motion is not necessary or appropriate for the expeditious and economical administration of the estates. Notice of this pleading will be served upon the Bankruptcy Administrator for the Western District of North Carolina, all creditors, counsel for NBSC, and the Internal Revenue Service.

WHEREFORE, the Debtors request that the Court enter an Order for the joint administration for the Debtors' bankruptcy cases for ease of administration, convenience, and economy and provide such other and further relief as may be just and proper.

This the 1st day of December, 2009.

/s/ Christine L. Myatt
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